

SHRI SIS RAM OLA : This is not the appropriate place to make speeches, please ask the relevant question.

PROF. RASA SINGH RAWAT : I am coming to that.

SHRI SIS RAM OLA : Gorakhpur and Jaisalmer both are quite fare . . . (Interruptions)

[English]

SHRI P.R. DASMUNSI : Sir, the hon. Minister should not say like that.

[Translation]

SHRI SIS RAM OLA : I am saying that it is not a relevant question.

MR. SPEAKER : Rawatji, please ask your question.

PROF. RASA SINGH RAWAT : Jodhpur Mining organisation is engaged in mining gypsum under the fertilizer corporation of India. Hon. Minister himself has admitted that a inquiry was conducted to find out reasons for losses being incurred by it for the last four or five years. I would like to know as to when this inquiry was ordered and what type of inquiry was that. I request the hon. Minister to give clarification on the 'Turn Around' policy mentioned by him. You have admitted that one official was found guilty who have been suspended. In it, this has been written- "FCI Management has taken a decision to initiate disciplinary action against some officers." Whether the guilty person has been suspended or disciplinary action has been started. These two replies are contradictory. I would like to know as to what action is being taken to make the mining operations profitable so that Government may not incur losses in future ?

SHRI SIS RAM OLA : Mr. Speaker, Sir, it is not obligation to the State Government. We pay royalty and taxes as per the prevalent rules. We have taken those mines on lease from the state Government. As I have told earlier also that the main reason for this loss was the ban imposed by the State Government on supply of gypsum to the cement factories of states and there were problems in supplying sending gypsum out of the state. Now for the last few years State Government has given permission to sell gypsum to cement factories of the state. Thus these are earning profit. The hon. Member from Ajmer has raised that question in a haste. The hon. Member from Jaisalmer has made some complaints in writing. Departmental inquiry has been conducted into those complaints. The guilty found officer has been suspended. Disciplinary action is going on and action will be taken on the basis of findings of the report of the inquiry.

[English]

SHRI SUNIL KHAN : Mr. Speaker, Sir, may I know from the hon. Minister why the Hindustan Fertilizers of Durgapur is frequently shut down due to lack of arsenic pipes and other materials ? As a result, the production cost is increasing. Why are the steps not being taken by the Government ?

[Translation]

SHRI SIS RAM OLA : Mr. Speaker, sir, it is totally a different subject. I will reply to it when related question is asked.

Licensing Policy four Sugar Mills

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*42. SHRI AMAR PAL SINGH :
SHRI N.S.V. CHITTHAN :

Will the Minister of FOOD be pleased to state :

(a) Whether Government have revised the Licensing Policy for sugar mills;

(b) If so, the major changes introduced in the revised Licensing Policy;

(c) whether the new policy exempts now units from the levy restrictions and allows mills to sell upto 85% of their output in the free market; and

(d) the specific safeguards provided to ensure speedy payments to the cane growers ?

THE MINISTER OF FOOD AND MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI DEVENDRA PRASAD YADAV) : (a) to (d) A statement is being placed on the Table of the House.

Statement

(a) and (b) Government have, vide Ministry of Industry, Department of Industrial Policy and Promotion Press Note No.1 (1997 series) issued on 10.1.97 revised guidelines for considering applications for industrial licences for sugar industries. A copy of the Press Note is annexed, as annexure.

(c) The licensing policy does not cover questions to exemption from levy.

(d) Does not arise.

Annexure

GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION

PRESS NOTE NO.1
(1197 SERIES)

Subject : Guidelines for considering applications for industrial licenses for sugar factories

The Government of India have reviewed the Guidelines for licensing of new and expansion of existing sugar factories issued vide this Ministry's Press Note No.16 (1991) dated 8.11.91. The existing guidelines need revision in order to take into account the changes in the business scenario following economic liberalization, the need for introducing simplified and transparent procedures and the technological changes that have taken place in the sugar industry over the years. In supersession of the aforesaid

Press Note, Government have now formulated the following revised guidelines :-

- (i) New Sugar factories will continue to be licensed for a minimum economic capacity of 2500 tonnes cane crushed per day (TCD). There will not be any maximum limit on such capacity.
- (ii) Preference in licensing would be given to the proposals involving larger capacity, modern technology and development of integrated complexes producing value added products and co-generation of power.
- (iii) For the consideration of application, a revenue district will be taken as the unit. In case more than one application is received for any unit of operation, other things being equal, priority will be given to the application received earlier.
- (iv) Licences for new sugar factories will be issued subject to the condition that the distance between the proposed new sugar factory and an existing/already licensed sugar factory should be not less than 15 kilometers.
- (v) The basic criterion for grant of licences for new sugar units would be cane availability or the potential for the development of sugarcane or both.
- (vi) Other things being equal, preference in licensing will be given to the proposals from the Growers Cooperation Societies. However, industrial licence issued to such a cooperative cannot be transferred to any other entity.
- (vii) All applications for expansion of the existing factories will be cleared automatically.
- (viii) Applications for grant of industrial licences for the establishment of new sugar factories as well as expansion of existing units should be submitted to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion, Ministry of Industry, New Delhi in Form II, along with the prescribed fee of Rs. 2500/-. The applications received for grant of licences would be referred by SIA to the Department of Food and the concerned State Governments/UTs for their comments. If no comments are received from either Department of Food or the concerned State Governments/UTs within one month after their comments are asked for, it shall be deemed that they have no comments of offer. The Licensing Committee would thereafter consider the application for industrial licence and make appropriate recommendations.

The procedure and guidelines, as given above, are

brought to the notice of the entrepreneurs for their information and guidance

(Ashoke Kumar)

Joint Secretary to the Government of India

SHRI AMAR PAL SINGH : Mr. Speaker, Sir, the remunerative price of Rs.72 to Rs.76 per quintal for sugarcane, announced by the Government of Uttar Pradesh is being given by sugar corporation and cooperative factories only. Private sugar mills of Uttar Pradesh are exploiting the farmers and not paying them remunerative prices announced by the government. The hon'ble Governor of the State has sent an ordinance regarding payment of remunerative prices of sugarcane to farmers to the Central Government for approval so that it becomes a statutory right of the State Government. If the Central Government deems it necessary to bring a bill, when a bill would be introduced in this regard ?

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, I would like to make humble submission that original question of the hon Member should be seen. The supplementary question does not relate to it. Though I can reply to it for your information.

SHRI AMAR PAL SINGH : Hon. Mr. Minister in (d) part of my original question I have asked as to what specific safeguards provided to ensure speedy payment to sugarcane growers.

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, in the last part of the question it has been asked as to what specific measures have been taken to ensure payment to sugarcane growers. Not only in Uttar Pradesh but I would like to give information pertaining to the whole country.

SHRI AMAR PAL SINGH : Mr. Speaker, Sir, I seek your interference in this matter. I would like to get reply to my first supplementary question. This question relates to the prices being given to sugarcane growers.

MR. SPEAKER : He is replying to it.

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, with your permission I am replying to this question. Legal advice is being taken on the ordinance sent from Uttar Pradesh. The hon. Governor of the state has negotiated with the sugar mill owners of Uttar Pradesh regarding the different rates i.e. Rs. 70, Rs. 72 and Rs. 76 being given to sugarcane growers. Now Rs. 70 and Rs. 72 being given as per the decision taken in negotiation. But this question does not relate to the main question. Now I would like to give information regarding payment to sugarcane growers regarding which the question has been asked.

SHRI AMAR PAL SINGH : Mr. Speaker, Sir, my question was that the fixed rate of Rs.72 and Rs. 76 for sugarcane is not being given by private mills. Only the

sugar mills of public sector and co-operative sector are paying that rate. The State Government will have a statutory right if approval is accorded to this ordinance. I would like to know as to when approval will be given on it so that economic exploitation of farmers could be stopped and they could be given remunerative prices for sugarcane.

SHRI DEVENDRA PRASAD YADAV : I have said it earlier also and I am giving information on it but your question does not relate to the main question. The United Front Government will take the required measures for welfare of farmers. By the end of the week a final decision will be taken on this issue. At present it is with the Ministry of Law. As you know very well that we have to adopt that procedure and process meant for it. We will take a decision in the interest of farmers.

In view of the problems being faced by the farmers, negotiations are held to decide the remunerative prices. At present the standing price for sugarcane has been fixed Rs. 70-72. In its judgement, Allahabad High Court has said that the statutory Minimum prices would be decided by the Union Government instead by the State Government. This proposal has been sent to us a few days back. Legal opinion is being sought on it and final decision is likely to be taken by the end of this week.

SHRI AMAR PAL SINGH : Mr. Speaker, Sir, every unit of sugar industry has a capacity to generate power upto ten megawatts to fulfil its requirement by using bagasse in high pressure boilers. At present Japan has become an economic power in the world by producing steel.

I would like to know from the Hon'ble Minister whether with a view to ensure large scale production and to serve the interests of farmers and also to encourage industrial development of rural areas, in the coming budget he proposes to give any tax relaxations to such sugar mills as are capable of generating power on their own and setting up induction furnaces in their premises, and also to those industries which can run with power generated by themselves ?

[English]

MR. SPEAKER : Shri Amar Pal Singh, you are not supposed to read out the question. Please try to put a pointed question.

[Translation]

SHRI DEVENDRA PRASAD YADAV : I would request you again, sir, that the question asked by the hon'ble Member is different from the original one. It has been clearly asked in the original question that whether the Government has made any amendment in the licence policy for sugar mills, if so the details of the now amendments made in the revised licence policy and whether any levy relief has been given to the newly setup units under the new licence policy and whether the sugar mills have been allowed to

sell 85% of their production in the open market ? In spite of it I do share the feelings of the hon'ble member and I am replying to his question. Firstly, it is certain that the licence policy which we have been following so far, has been revised. Earlier, the procedure to obtain the licence was very complicated. It used to take 5 to 6 years for processing the cases of applicant-be it a case of cooperative sector or any unit or a sugar mill because the procedure itself was so much complicated. Their cases used to be referred to a screening committee for scrutiny. A lot of mental exercise was involved in that process. Many times we required several reports from the State Governments again and again which used to take 5 to 9 years' period. But this time we have simplified the process by taking a high-level decision. Under this simplified process, we are certainly going to give priority to the power generating plants and a mention in this respect has been made in the simplification process. It has been categorically stated in it that priority for licence would be given to the value added projects or plants having heavy capacity or equipped with latest or modern technology.

[English]

MR. SPEAKER : Mr. Minister, I do not think it is necessary for you to explain that long. Please be short. We have the constraint of time.

[Translation]

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker Sir, the hon'ble Member has asked only about those industries which would be generating power on their own.

[English]

MR. SPEAKER : This is not a class room.

SHRI N.S.V. CHITTHAN : Mr. Speaker, Sir, may I know from the hon. Minister what steps are being taken to protect the interest of the cane growers and how much amount is pending to be paid to the cane growers as an date ?

Does the Government have any plan to divert molasses to produce fuel as an alternative source to petrol?

[Translation]

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, we had paid 95.2 percent of the total arrear due to cane growers during the year 1995-96 and recently payment of 99 percent arrear was made in Uttar Pradesh and the remaining one percent of arrear is under the process of payment. The payment made to the cane growers during the current year 1996-97 was to the tune of Rs. 566 crores and the pending amount of arrear is to the tune of Rs. 398 crores which is being paid. Last year a payment of only 40.9 percent was made by the month of December. This year we have made a payment of 41 percent.

[English]

SHRI N.S.V. CHITTHAN : Sir, my second supplementary.

MR. SPEAKER : You are not entitled to second supplementary. You are entitled to one supplementary only.

[Translation]

SHRI NAWAL KISHORE SHAMRA : Mr. Speaker, Sir, as per the data given just now by the Hon'ble Minister in respect of the payment made to the cane growing farmers, there is an increase of only one percent which is very much disappointing. Just now the hon'ble Minister was saying that he is protecting the interests of the farmers. I am unable to understand as to how he proposes to safeguard their interests. The Hon'ble Prime Minister repeatedly talks of the payment of the arrear of the farmers but the irony is that this Government, which claims itself to be the sympathisers of the farmers, wants to earn praise from this House for an increase of only one percent in the payment. I want to know as to what has happened to the announcement made by the Prime Minister ?

MR. SPEAKER : Sir, my second question is that farmers in Uttar Pradesh have launched agitations many times under the leadership of Congress (Interruptions)

[English]

I am not asking the question to you. You are not a Minister you are yet to come to that office.

[Translation]

What can I do if you are not aware of it (Interruptions)

[English]

You have to keep mum. You are not the Minister. You should understand this.

MR. SPEAKER : You should not interrupt.

.... (Interruptions)

[Translation]

SHRI NAWAL KISHORE SHARMA : So I was saying that farmers in Uttar Pradesh have launched agitation many a times under the leadership of congress (Interruptions) They launched agitation in support of their demand that payment of arrears due to them should be made and they should be given remunerative prices for their produce. I want to know the dates on which the ordinance was issued by Uttar Pradesh and received in your office and why so much delay has taken place in giving approval on it ?

Sir, to the best of my knowledge, that ordinance was received more than one month back, whether a period of one month is inadequate for taking a decision thereon and whether that is likely to take some more time and if so,

by which time a final decision is expected to be taken thereon ?

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, the Hon'ble Member is a senior member of this House. He has said that there has been only one percent increase in the payment of arrears of the farmers which reflects the intentions of this Government. Probably he did not listen to me carefully. I said that last year payment of 40.9 percent of arrear was made between December and January and this year a payment of 41 percent arrears have been made. More payment could have been made. But last year there was late crushing and so mills also started functioning late. In U.P. We have succeeded in making payment of 99 percent of arrears we made half of the total payment of Rs. 950 crores only in a period of two months. Never in the past, payment of arrears to the farmers has been made with such a speed.

SHRI NAWAL KISHORE SHARMA : Mr. Speaker, Sir, still there is an arrears of Rs. 351 crores due to the farmers.

SHRI DEVENDRA PRASAD YADAV : Mr. Speaker, Sir, it is not to the tune of Rs. 351 crores. Second question pertained to the ordinance. Uttar Pradesh is under the President Rule. In case there comes any ordinance from Uttar Pradesh, first it goes to the Home Department. After that it comes to me. We are taking legal advice on that ordinance. That is in the final stage. Once it comes to us from there (Interruptions)

SHRI NAWAL KISHORE SHARMA : My question was that (Interruptions)

[English]

Abolition of Article 356

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*43. SHRI A.C. JOS :
SHRI CHITTA BASU :

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether a meeting of the Standing Committee of the Inter-State Council was held recently to discuss the issue of abolition/amendment of Article 356 of the Constitution;

(b) if so, whether any decision has been taken in the meeting regarding abolition of the Article;

(c) whether views of the various political parties would be sought before taking a final decision; and

(d) the follow-up action taken by the Government on the deliberations of the meeting ?

THE MINISTER OF HOME AFFAIRS (SHRI INDRAJIT GUPTA) : (a) to (d) A Statement is laid on the Table of the House.

Statement.

One of the items included in the agenda for the first